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16 January 1945

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MEMORANDUM

TO: Chief, Special Funds Section

FROM: Chief, Supply Section

THRU: Executive for Personnel and Administration

SUBJECT: Establishment of Cash Funds for Petty Purchases.

General Accounting Office Regulation No. 103, issued 2 May 1945, provides that an employee of an Organization, properly delegated, may make petty cash purchases and receive reimbursement from appropriated funds. It does not appear desirable and it would definitely not result in good administration to effect such a policy on a large scale within an Organization. However, there is a need to have one individual designated with authority to make petty purchases for the entire Organization, to expedite and facilitate processing the required purchases.

The procedure, as recognized and provided for by the General Accounting Office would result in a considerable saving to the Government over a period of time for small emergency purchases requiring immediate action. It is recognized generally throughout the Government that to issue a Purchase Order, process the voucher in connection therewith, and to perform the related accounting functions, would result, in addition to the time that transpires in an expense of approximately \$12.00, regardless of the amount of the account.

As an example, if a few copies of a Public Law were required a cash purchase could be made from the Government Printing Office (another Government Agency) at a cost of approximately \$0.30 plus transportation, and could be secured for immediate use, whereas, if a Purchase Order were issued the same items would cost approximately \$12.00 plus the actual price therefor, and approximately four days would expire before delivery would be accomplished

An immediate need for a petty cash account is to handle the miscellaneous expense in connection with moving items to the Point of Embarkation for dispatch overseas. The truck drivers moving supplies to New York and elsewhere are willing to make an out of pocket expenditure for toll and tunnel charges, necessitated through moving Government supplies and equipment, provided they may receive reimbursement promptly upon return to Washington, D. C. and presenting the required receipts. This may be accomplished

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on a reimbursable basis only if such transactions are handled by your office or if an advance may be established for handling petty cash expenditures.

In view of the need for and the benefits that the Central Intelligence Group will derive from making petty cash purchases and the fact that an employee would not be expected to or be able to make the cash outlays required on behalf of the Government, it is kindly requested that an advance be made to the account of Mr. [REDACTED] Chief, Procurement Unit in the amount of \$150.00 for the purpose of handling petty cash expenditures on behalf of the entire Organization.

It is to be understood that the advance will in essence be a revolving fund to be replenished entirely through vouchered funds at the end of each month or as necessity demands. At any given time the entire amount could be returned to you within a period of 20 days from date of your request or any information with respect to the advance could readily be supplied. It is proposed that the advance of \$150.00 be furnished by Special Funds Section to Mr. [REDACTED] with the express agreement that he is personally liable to restore the full amount to Special Funds Section within a reasonable time after request therefor and the further understanding that no payment or reimbursement of expenses paid from the advance will be effected through the use of unvouchered funds.

[REDACTED]
Chief, Supply Section

APPROVED:

[REDACTED]
Colonel, ~~ASO~~
Executive for Personnel
and Administration

Chief, Finance Division

General Council Office

cc Chief, Finance Division
General Council Office
file

[REDACTED] (originating officer)

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